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Multimodal Freight of Malaysia upgrades terminal

MULTIMODAL Freight, which operates the largest container terminal in northern Malaysia, is planning to invest MYR10 million (US$2.8 million) to upgrade its infrastructure and facilities to cater to the growing number of boxes handled at the facility.

Multimodal general manager Azman Ahmad Shaharbi said the company would first seek approval from parent company KTM Bhd (KTMB) on its investment plan. Multimodal Freight is a wholly-owned subsidiary of KTMB and handles all the containers that come from southern Thailand.

Mr Azman said out of the investment, MYR2.1 million would go to renovate infrastructure and facilities, including roadways, drains and basic amenities.

"However, we will need MYR10 million to push up the status of the terminal, and this would include the building of a new yard and a more powerful locomotive. This is a long-term investment which we are confident will bring profits not only to Multimodal Freight but to KTMB," he said after a recent thanksgiving ceremony to celebrate the successful handling 8,240 TEU last December, Bernama reported.

CPA moves to restore normality to Chittagong port operations

MEASURES implemented by the Chittagong Port Authority (CPA) to ease congestion are starting to pay off as the port recently managed to handle about 4,000 containers in three days.

Boxes unloaded by vessels at the port are also being delivered to inland container depots by rail.

These improvements have helped to reduce the accumulation of boxes at the Bangladeshi port to around 19,798 TEU at the end of last week.

The steps taken by port authorities include the CPA's refusal to allow port officials and staff to take leave for the next six months, and the body has introduced 24/7 port operations to prevent bottlenecks. They have also re-established a monitoring cell to restore a degree of normality to the port, an online report by The Daily Star said.

"We've taken some steps that would help ease the serious container congestion and hopefully the port will be back to normal operations within 10 to 15 days," said CPA secretary Syed Farhaduddin Ahmad.

However, CPA officials are warning that without co-operation from importers and exporters to take delivery of their containers quickly, instead of leaving the boxes on dock for weeks, efforts to speed operations will be fruitless.

Sources cited in the Star report claimed that by January 9, 21,000 containers were piled up at Chittagong port owing to limited container delivery during the Muslim festival of Eid and the suspension of delivery during the nationwide landside blockade of the port.

Chittagong port only has storage capacity for 1,400 TEU, which means that the lack of back-up space has been threatening to bring cargo handling operations at Bangladesh's main seaport to a halt.

Singapore's Jurong Port hosts UASC delegation

SINGAPORE's multi-purpose Port of Jurong has been entertaining a delegation from the United Arab Shipping Company (UASC) led by Othman Ibrahim Al-Issa, the board's vice-chairman.

The directors of the board and the executive management of UASC have been visiting Singapore to hold their first board meeting in Asia since making Singapore their south east Asian hub.

During their stay in the Lion City, they were given a tour of Jurong Port where a dinner was held in their honour to welcome delegates, who were received by Jurong Port's CEO Matthew Chan, president Fong Yue Kwong and the port's senior management.

More than 60 guests attended, including the Permanent Secretary of the Ministry of Transport, Brigadier Choi Shing Kwok, and Chief Executive of the Maritime and Port Authority of Singapore, Brigadier Tay Lim Heng.

A statement from port authorities said that Jurong is the port of call in Singapore for UASC vessels which annually handle 250,000 TEU in the city state. This figure is set to rise when the Kuwait-based shipping line's new 6,000-TEU plus containerships are delivered after early 2008.

Established in 1976, UASC operates a fleet of 35 container vessels.

TOP

Kuehne + Nagel opens logistics facility in Narita

SWISS logistics and transport giant, Kuehne + Nagel is expanding in Japan after opening a logistics centre in Narita.

The company said the new facility's proximity to Narita Airport was a key factor in the selection of the location of the centre, which will provide contract logistics services and 10,000 square metres of warehousing for airfreight handling and storage. The site also features a modern office block.

Kuehne + Nagel's main customer is Japan Airlines and plans to use the new facility as a global logistics hub for the carrier's in-flight catering, serving the airline's catering companies worldwide, as well as checking and sorting returned goods, a K + N release said.

Kuehne + Nagel currently operates at eight locations in Japan and employs 230.

TOP

2006 first profitable year for American Airlines since 2000

LAST year was the first profitable year since 2000 for AMR Corp, the parent company of American Airlines, the largest air carrier in the United States, as it posted a full-year profit of US$231 million after five years of losses.

"We executed on every facet of our turnaround plan, from bolstering our financial and competitive positions to investing in our product and strengthening our employee pension plans," said AMR chairman and CEO Gerard Arpey.

Industry sources are cited in an Agence France-Presse report which said AA's profit signals an end to the slump in aviation since the 9/11 terror attacks sparked a widespread decline in the industry with six US carriers facing bankruptcy.

Last year, AMR reduced debt, which included the principal amount of airport facility tax-exempt bonds and the present value of aircraft operating lease obligations, to $18.4 billion at the end of the fourth quarter of 2006, compared to $20.1 billion a year earlier.

In addition to the $1.2 billion in scheduled payments that AMR made in 2006, the company purchased $190 million of its outstanding debt and lease obligations during the year.

AA will also return 19 non-standard 757 aircraft acquired from TWA when their leases expire to save more than $50 million in annual lease costs. Parent AMR has also issued $400 million in common stock intending to use the money from the sale to improve AA's balance sheet.

TOP

Singapore to fend off rivals by investing in China

HAVING been overtaken by Shanghai Pudong International Airport with its 2.16 million tons of cargo handled in 2006 - against Singapore's 1.91 million - the Lion City is changing its tactics.

According to Yeo Kia Thye, cargo chief at the Civil Aviation Authority of Singapore (CAAS), the city state will implement a two-fold strategy to meet its rivals, said a report in The Star of Malaysia.

First, CAAS aims to invest in, or manage, airports on the Chinese mainland to tap into new growth opportunities there, as opposed to watching rivals chip away at its leading market position.

To this end, CAAS has started talks with mainland airport authorities and signed a Memorandum of Understanding to purchase a 40-45 per cent stake in Nanjing airport for CNY1.5 billion (US$192.6 million).

The second aspect of the Singapore strategy is to turn itself into a regional logistics hub for intra-Asia cargo flows, as the Airport Logistics Park of Singapore (ALPS) enjoys free trade zone status.

In the past, Singapore's Changi International Airport capitalised on its location and well-developed infrastructure, but the growing threat from rapidly rising airports on mainland China has forced the Lion City to look for new ways to maintain its lead in global airfreight.

Shanghai has come a long way since it ranked 14th in airfreight back in 2004. And Beijing and Guangzhou are catching up. While they lag behind Singapore's airport ranking, this is not expected to last long given that the two mainland rivals are located in massive manufacturing areas.

TOP

Maritime, logistics focus group urges HK to bolster industries

CC Tung, the convenor of a focus group on Maritime, Logistics and Infrastructure has called on Hong Kong to leverage its air transport, shipping and high-value logistics experience to strengthen its status as an international maritime centre, air transport and logistics hub.

The OOCL head's comments were contained in a report submitted to Hong Kong Chief Executive Donald Tsang on "China's 11th Five-Year Plan and the Development of Hong Kong", which attempts sets out an action plan on the direction of the city's economic development.

The proposals contained in the focus group's report will be studied by policy secretaries and priority will be given to items to be launched in the first half of the year.

The focus group on maritime, logistics and infrastructure, which was one of four focusing on economic sectors in Hong Kong, came up with nine strategies and 27 specific actions after consultation with industry representatives and academics.

They include specific measures to strengthen Hong Kong's competitive edge in providing high-value supply chain logistics services, enhancing cost-effectiveness of cross-boundary freight transport, bolstering the maritime industry and Hong Kong's position as an international and regional aviation hub. The plan also sets out a road map to improve the use and management of airspace to raise the international airport's capacity.

The group also proposed that a high-level co-ordination mechanism be put in place to formulate a comprehensive strategy, that a forward-looking perspective in cross-boundary transport development be adopted, and that there be more direct and convenient links established between Hong Kong and major mainland China cities and airports.

While noting intense competition from neighbouring areas, especially in port-related logistics services, the focus group considered that the policy direction would both provide growth impetus for the local economy as well as complement China's economic development.

TOP

MOL enables customers to view service contracts online

MULTI-MODAL shipping and logistics company, MOL, has teamed up again with GT Nexus to provide a new option for customers called the Contract Viewer that allows web viewing of service rates online through a global price management platform.

The Japanese company's digital service contracts can also be viewed over the internet with information on surcharges, service terms and amendments.

The service is currently only available to MOL's North American customers and will be rolled out to other regions later this year.

Enabling customers to navigate through their contacts online saves time by eliminating the need to respond to customer inquiries manually, a company release said.

"This capability has proven to be a key service differentiator for us," said Rich Hiller, vice president of transpacific trade management.

In 2003, MOL (America) jointly developed with GT Nexus the on-demand GT Nexus Global Price Management System to manage customer contracts. MOL has used this technology to standardise and automate its contract administration by utilising a centralised rate repository system, a web interface, direct filing with the FMC and integration to their booking and documentation systems for auto-rating.

TOP

OOCL vessels achieve highest green compliance rate at Long Beach

OOCL has announced that its 121 vessels taking part in a voluntary speed reduction programme achieved a 100 per cent compliance rate with the Port of Long Beach's Green Flag Incentive Programme in 2006.

The Green Flag Incentive Programme was launched by the Port of Long Beach in January 2005 as a voluntary initiative to improve air quality.

Vessels were asked to voluntarily reduce speed through the Fairway Channel to Los Angles and Long Beach ports. Carriers that achieved a rate of 90 per cent compliance, or higher, over a 12-month period, were eligible for a 15 per cent reduction in dockage in the following year, an OOCL statement explained.

OOCL's compliance efforts were reported to be 18 per cent above the average for all vessels, including containerships, tankers and cruise liners.

TOP